

FEDERAL RESERVE BANK  
OF NEW YORK  
Fiscal Agent of the United States

Circular No. 10,006  
February 19, 1986

**TREASURY TO AUCTION \$7,500 MILLION OF 5-YEAR 2-MONTH NOTES**

*To All Banking Institutions, and Others Concerned,  
in the Second Federal Reserve District:*

The following statement was issued by the Treasury Department:

The Department of the Treasury will auction \$7,500 million of 5-year 2-month notes to raise new cash. Additional amounts of the notes may be issued to Federal Reserve Banks as agents for foreign and international monetary authorities at the average price of accepted competitive tenders.

Printed on the reverse side is a table summarizing the highlights of the offering. Copies of the official offering circular will be furnished upon request directed to our Government Bond Division (Tel. No. 212-791-6619). In addition, enclosed is a copy of the form to be used in submitting tenders for this offering.

This Bank will receive tenders prior to 1:00 p.m., Eastern Standard time, Wednesday, February 26, 1986, at the Securities Department of its Head Office and at its Buffalo Branch. *All competitive tenders*, whether transmitted by mail or by other means, must reach this Bank or its Branch by that time. However, for investors who wish to submit noncompetitive tenders and who find it more convenient to mail their tenders than to present them in person, the official offering circular provides that *noncompetitive* tenders will be considered timely received if they are mailed to this Bank or its Branch under a postmark *no later than February 25*.

Bidders submitting noncompetitive tenders should realize that it is possible that the average price may be above par, in which case they would have to pay more than the face value for the securities.

Payment with a tender may be made in cash, by check, in Treasury securities maturing on or before the issue date of the securities being purchased, by a charge to an institution's reserve account at this Bank, or, in the case of Treasury Tax and Loan Note Option Depositories, by credit to a Treasury Tax and Loan Note Account. Payment by check must be in the form of an official bank check, a Federal funds check (a check drawn by a depository institution on its Federal Reserve account), or a personal check, which need not be certified. All checks must be drawn payable to the Federal Reserve Bank of New York; *checks endorsed to this Bank will not be accepted*.

Recorded messages provide information about Treasury offerings and about auction results: at the Head Office — Tel. No. 212-791-7773 (offerings) and Tel. No. 212-791-5823 (results); at the Buffalo Branch — Tel. No. 716-849-5158 (offerings) and Tel. No. 716-849-5046 (results). Additional inquiries regarding this offering may be made by calling, at the Head Office, Tel. No. 212-791-6619, or, at the Buffalo Branch, Tel. No. 716-849-5016.

E. GERALD CORRIGAN,  
*President.*

(Over)

**HIGHLIGHTS OF TREASURY  
OFFERING TO THE PUBLIC  
OF 5-YEAR 2-MONTH NOTES  
TO BE ISSUED MARCH 5, 1986**

**Amount Offered:**

To the public ..... \$7,500 million

**Description of Security:**

Term and type of security ..... 5-year 2-month notes  
Series and CUSIP designation ..... Series J-1991  
(CUSIP No. 912827 TJ1)  
Maturity date ..... May 15, 1991  
Call date ..... No provision  
Interest rate ..... To be determined, based on the  
average of accepted bids  
Investment yield ..... To be determined at auction  
Premium or discount ..... To be determined after auction  
Interest payment dates ..... November 15 and May 15  
(first payment on November 15, 1986)  
Minimum denomination available ..... \$1,000

**Terms of Sale:**

Method of sale ..... Yield auction  
Competitive tenders ..... Must be expressed as an annual yield,  
with two decimals, e.g., 7.10%  
Noncompetitive tenders ..... Accepted in full at the average  
price up to \$1,000,000  
Accrued interest payable by investor ..... None  
Payment by non-institutional investors ..... Full payment to be submitted  
with tender  
Payment through Treasury Tax and Loan (TT&L)  
Note Accounts ..... Acceptable for TT&L Note  
Option Depositories  
Deposit guarantee by designated institutions ..... Acceptable

**Key Dates:**

Receipt of tenders ..... Wednesday, February 26, 1986,  
prior to 1:00 p.m., EST  
Settlement (final payment due from institutions)  
a) cash or Federal funds ..... Wednesday, March 5, 1986  
b) readily collectible check ..... Monday, March 3, 1986

AT 10,006

# TREASURY NEWS



Department of the Treasury • Washington, D.C. • Telephone 566-2041

## RESULTS OF AUCTION OF 5-YEAR 2-MONTH NOTES

Auction date: February 26, 1986

The Department of the Treasury has accepted \$7,520 million of \$19,156 million of tenders received from the public for the 5-year 2-month notes, Series J-1991, auctioned today. The notes will be issued March 5, 1986, and mature May 15, 1991.

The interest rate on the notes will be 8-1/8%. The range of accepted competitive bids, and the corresponding prices at the 8-1/8% interest rate are as follows:

	<u>Yield</u>	<u>Price</u>
Low	8.10%	100.043
High	8.13%	99.918
Average	8.12%	99.960

Tenders at the high yield were allotted 43%.

### TENDERS RECEIVED AND ACCEPTED (In Thousands)

<u>Location</u>	<u>Received</u>	<u>Accepted</u>
Boston	\$ 10,143	\$ 10,143
New York	16,502,071	6,533,338
Philadelphia	6,000	6,000
Cleveland	147,005	81,930
Richmond	47,337	17,637
Atlanta	32,979	25,409
Chicago	1,460,961	581,211
St. Louis	80,768	63,768
Minneapolis	17,134	15,994
Kansas City	44,787	44,287
Dallas	10,909	9,769
San Francisco	795,391	129,691
Treasury	726	726
<b>Totals</b>	<b>\$19,156,211</b>	<b>\$7,519,903</b>

The \$7,520 million of accepted tenders includes \$450 million of noncompetitive tenders and \$7,070 million of competitive tenders from the public.

In addition to the \$7,520 million of tenders accepted in the auction process, \$318 million of tenders was awarded at the average price to Federal Reserve Banks as agents for foreign and international monetary authorities.